

The Annual Financial Report (AFR) is a data collection mandated by Louisiana Revised Statute 17:92. This law requires that school systems provide financial data to the department no later than September 30th each year. The AFR is designed to guide financial data reporting to ensure accuracy and uniformity. The AFR data is utilized in the Louisiana Minimum Foundation Program (MFP) formula calculations, the federal National Public Education Financial Survey (NPEFS), Indirect Cost rate calculations, ESSA and IDEA Maintenance of Effort calculations, in addition to other federal and state required reports.

Supporting Materials discussed in this document are located at
<https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm>

- **Overview and Reference Documents**
 - Annual Financial Report (AFR)/LAUGH (PowerPoint)
 - Annual Financial Report System User Guide
 - Federal Cash Management Improvement Act
 - FY2021-2022 Subawards for Indirect Costs Calculation User Guide
- **AFR 2021-2022 Instructions and Forms**
 - 2021-2022 Fiscal Project Codes
 - GASB 84 and Louisiana School Activity Funds
 - 2021-2022 Project Code AB1 Reporting
 - 2021-2022 Revenue Coding for Federal & State Grants
 - 2021-2022 Revenue Coding Guidance
 - 2021-2022 Expenditure Coding Guidance
 - Frequently Asked Questions for Expenditure Coding
 - 2021-2022 AFR Form with formulas for City/Parish systems (Excel)
 - 2021-2022 AFR Form with formulas for charters, lab schools, & state agencies (Excel)
- **AFR Review Process**
 - 2021-2022 Post Submission Audit Review Instructions
 - 2021-2022 AFR Review Checklist – City/Parish Systems
 - 2021-2022 Response to AFR Checklist – City/Parish Systems
 - 2021-2022 AFR Review Checklist - Charters, Lab schools & State Agencies
 - 2021-2022 Response to AFR Checklist Form - Charters, Lab Schools & State Agencies(Excel)
 - 2021-2022 Special Reporting Certification – City/Parish, Charters, Lab Schools & State Agencies

REPORTING REQUIREMENTS FOR SCHOOL SYSTEMS

AFR reports reflecting financial data for 2021-2022 are required from school systems including city/parish school systems, BESE-authorized Type 2 and 5 charter schools, LSU and Southern University Lab Schools, Office of Juvenile Justice (OJJ), Louisiana Schools for Math, Science and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA) and Thrive Academy.

Submissions of separate school/site-specific financial information in LEADs are also required for each system-authorized charter school (i.e., Types 1, 3, and 4) that operated during the 2021-2022 school year.

REPORTING SYSTEM (REMINDER)

The 2021-22 fiscal year AFR data must be submitted to the *Louisiana Educational Accountability Data Systems* (LEADs) portal. The portal can be accessed via <https://leads5.doe.louisiana.gov/pt/>.

REPORTING FORMS:

AFR forms are located at <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> and include the following:

- 2021-2022 AFR Form with formulas for City/Parish systems (Excel)
- 2021-2022 AFR Form with formulas for charters, lab schools, & state agencies (Excel)

SYSTEM SECURITY AND PERMISSIONS

Refer to Annual Financial Report System User Guide at <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> for information

REPORTING TIMELINES

The schedule below contains major milestones governing submission of the FY2021-22 AFR. School systems are reminded that compliance with the AFR timelines are a component of the annual Fiscal Risk Assessment. In the Financial Risk Assessment, a clean complete submission by October 31, 2022, (no outstanding AFR edit errors and no unresolved issues with State Audit staff) is considered a timely submission. Untimely submissions may result in a lower rating on the Financial Risk Assessment, potentially resulting in a rating of “needs improvement” or “unacceptable”.

FY2021-2022

September 1, 2022	LEADS portal opens for AFR submission via Internet Electronic File Transfer or by Web AFR On-line update process
September 30, 2022	Deadline for Mandatory Initial AFR Submission (including all Fiscal Project Code data) according to R.S. 17:92
<i>October 31, 2022</i>	<i>Excellent rating in Fiscal Risk Assessment</i>
<i>November 1 – November 30</i>	Good rating in Fiscal Risk Assessment
<i>December 1 – December 30</i>	Needs Improvement rating in Fiscal Risk Assessment
<i>December 31 or later</i>	Unacceptable rating in Fiscal Risk Assessment
December 31, 2021	LEADS Portal will be closed for AFR submission

REQUIRED DATA

All revenues and expenditures including all sources such as Minimum Foundation Program (MFP), state general fund, federal, local, self-generated including hurricane and flood revenues, etc. must be included in the AFR.

Classification of revenues and expenditures in the AFR should be based on the definitions contained in the *Bulletin 1929, Louisiana Accounting and Uniform Governmental Handbook (LAUGH)* – July 2014. For access to LAUGH:

https://www.louisianabelieves.com/docs/default-source/school-choice/guide---laugh-guide.pdf?sfvrsn=ae3e96bd_4

Additional guidance for coding revenues may be accessed in the document entitled “2021-22 Revenue Coding Guidance” and “Revenue Coding for Federal & State Grants.” For additional guidance on classification of expenditures, see the document entitled “2021-22 Expenditure Coding Guidance.” Additional coding on expenditure questions can be found in the document titled “Frequently Asked Questions for Expenditure Coding.”

FISCAL PROJECT CODES (FPC)

Fiscal Project Codes (FPC) are an additional component of reporting within the AFR to collect detailed expenditure data to meet specific reporting requirements. Each FPC is a separate file and each file must be separately uploaded or entered to the Web-AFR system via the *Louisiana Educational Accountability Data Systems (LEADS) Portal*. For 2020-21 fiscal year there are four projects codes from previous fiscal years that are again being utilized:

AA0 – Basic AFR (Primary)
AB1 – Economically Disadvantaged (Secondary)
DF1 – Flood Preparation and Recovery (Secondary)
DH1 – Hurricane Recovery (Secondary)

AA0 is the primary Fiscal Project Code (FPC). All school systems must submit data in AA0. Other secondary FPCs may not be applicable to all school systems.

NOTE: In FY 2020-21, five new project codes were created to meet federal reporting requirements. A complete list of the FPCs is located within the document entitled “FY 2021-22 Fiscal Project Codes.” All school systems will likely have amounts to be reported in the new codes.

A. Funds allocated to school systems under the *Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan (ARP)* require specific reporting on how funds were used. Collection of this information will require the submission of new Fiscal Project Code(s).

These new FPCs are:

CV1 – CARES-GEERF (CFDA 84.425C)
CV2 – CARES – ESSERF I (CFDA 84.425D)
CV3 – CARES – ESSERF II (CFDA 84.425D)
CV4 – ARP – ESSERF III (CFDA 84.425D)

B. GASB 84 required a new reporting format for Student Activity Funds in FY 2020-21. The accounting for Louisiana student activity funds shifted away from

fiduciary funds to governmental funds under GASB 84. Additional information on the changes to the AFR associated with GASB 84 are located in the document *entitled "GASB 84 and Louisiana School Activity Funds."* All school systems are required to implement this project code.

The new project code is:
SA1 – Student Activity Funds

DATA ACCURACY

School systems should institute controls within its own data collection and reporting process to ensure the submission of accurate and complete financial data.

Below are some items to pay special attention to:

- District tax information in AFR Tables 2A and 2B are used in the Minimum Foundation Program (MFP) formula and incorrect reporting by one school system may ultimately affect the distribution of state dollars to all school systems.
- School systems are also reminded that the calculation of the indirect cost rate for each school systems or individually-reported schools is based on AFR data; as are the determination of eligibility for reimbursement of IDEA, Part B expenditures through calculation of excess costs.
- Incorrect reporting for IDEA and ESSA expenditures will affect the Maintenance of Effort (MOE) calculation for the school system, which may result in a reduction of the ESSA allocation and/or reimbursement to LDOE from the school system's General Fund.
- Post-Retirement Health Benefits are costs of health insurance or health services not included in a pension plan. These costs may be computed using one of two methods: a pay-as-you-go method based on actual payments or an acceptable actuarial cost method. Each school system determines their own methodology of reporting post-retirement health benefits and is responsible for reporting this information accurately in the AFR.

AFR REVIEW PROCESS

Upon submission of your AFR, you will receive an e-mail from the Audit team with instructions on how to respond to questions on the submission. The e-mail will include instructions in a document called *"Accessing your Post Submission Audit Reports."*

Once all reports have been reviewed and corrections made as applicable, each school system should go into LEADS and make corrections (instructions can be found in the Annual Financial Report System User Guide).

Once all corrections are made, go to LEADS AFR page <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> and access the following documents:

- AFR Review Checklist – Access the report applicable to your school system (there is one version for city parish school system and one version for charter schools). Review each item and verify if corrections are needed, and respond on the form to staudit@la.gov. If additional comments are needed, please use the response form. The documents are titled *"FY 2021-2022 AFR Review Checklists – City Parish School Systems"* and *"FY 2021-2022 AFR Review Checklists – Charters, Lab Schools & State Agencies."*
- Once corrections have been made, submit the completed checklist forms and the Special Reporting Certification Form inclusive of Business Manager signature to staudit@la.gov.

QUESTIONS

If you have any questions concerning the revenue or expenditure classification or related accounting matters, contact staudit@la.gov. For questions regarding the electronic submission or online update process, contact SystemSupport@la.gov.